

FIRST UNION RAIL

One O'Hare Centre
6250 River Road, Suite 5000
Rosemont, IL 60018

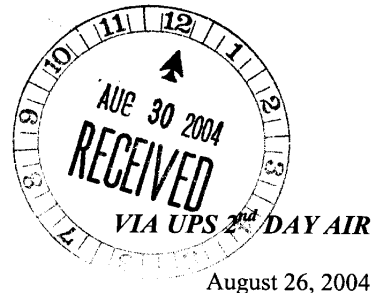
Tel 847.318.7575
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RECORDATION NO. 22951-B FILED

AUG 31 '04

2-56 PM

SURFACE TRANSPORTATION BOARD



Mr. Vernon E. Williams
Surface Transportation Board
1925 K Street, N.W., Room 704
Washington, DC 20423-0001
Attn: Recordation of Railroad Equipment

Re: Memorandum of Lease Agreement

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are three (3) originals of a Memorandum of Lease Agreement, dated July 6, 2004, a secondary document as defined in the Board's Rules for the Recordation of Documents. The enclosed document relates to the Lease Agreement which was duly filed with the Commission under Recordation Number 22951.

The names and addresses of the parties to the enclosed document are:

Lessor: First Union Rail Corporation
One O'Hare Center
6250 River Road, Suite 5000
Rosemont, IL 60018

Lessee: Union Pacific Railroad Company
1400 Douglas Street
Omaha, NE 68179

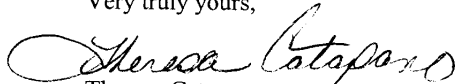
A description of the railroad equipment covered by the enclosed document is forty-seven (47) GP-50 Locomotive cars, marked FURX (see Exhibit A for car numbers).

A short summary of the document to appear in the index follows: Memorandum of Lease

Also enclosed is a check in the amount of \$30.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped original of the enclosed document to the undersigned along with the additional copies.

If you have any questions regarding the above-referenced matter, please contact me at (847) 384-5375.
Thank you for your cooperation in this matter.

Very truly yours,


Theresa Catapano
Manager of Documentation

Enclosures

(UP112)

ASSGN. NO.: UP112

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 16th day of July, 2004, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Union Pacific Railroad Company ("Lessee"), a Delaware corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Locomotive Master Operating Lease Agreement dated as of December 6, 1996 (the "Lease") between Lessor and Lessee, whereby Lessor has agreed to lease to Lessee certain locomotives pursuant to Supplement No. 12 to the Lease (the "Supplement"), as described in more particular on Exhibit A attached hereto, effective as of April 25, 2004 and subject to the terms, conditions and provisions of the above-mentioned Lease and Supplement.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed under seal by their respective officers duly authorized as of the date and year first above written.

LESSOR:

FIRST UNION RAIL CORPORATION

ATTEST:

By: [Signature]
Name: GEORGE A. FREIBURGER

By: [Signature]
Name: RICHARD E. SEYMOUR
Title: Vice President Sales & Marketing

Title: MGR. OF DOCUMENTATION Executed on this 16th day of July, 2004.

[CORPORATE SEAL]

RECORDATION NO. _____ FILED

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STATE OF ILLINOIS

COUNTY OF COOK

SURFACE TRANSPORTATION BOARD

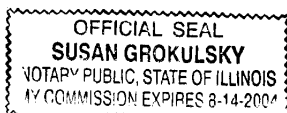
I, SUSAN GROKULSKY, a Notary Public of the County and State aforesaid, certify that RICHARD E. SEYMOUR personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 16th day of July, 2004.

[Signature]
Notary Public

My Commission Expires:

8-14-2004
(Notary Public)



LESSEE:

UNION PACIFIC RAILROAD COMPANY

By: Karen A. Watson

Name: Karen A. Watson

Title: General Director-Mechanical Purchasing

ATTEST:

By: _____

Name: _____

Title: _____

Executed on this 30th day of June, 2004.

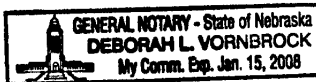
[CORPORATE SEAL]

STATE OF NEBRASKA

COUNTY OF DOUGLAS

I, DEBORAH L. VORNBROCK, a Notary Public of the County and State aforesaid, certify that KAREN A. WATSON personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 30th day of June, 2004.



Deborah L. Vornbrock
Notary Public

Commission Expires:

1/15/08
(Notary Public)

**EXHIBIT A TO
MEMORANDUM OF LEASE**

Up to forty-seven (47) GP-50 Locomotives

		<u>Current UP #</u>	<u>FURX #</u>			<u>Current UP #</u>	<u>FURX #</u>
1	UP	5512	FURX 2903	25	UP	5522	FURX 2915
2	UP	5514	FURX 2905	26	UP	5524	FURX 2918
3	UP	5515	FURX 2908	27	UP	5525	FURX 2920
4	UP	5519	FURX 2912	28	UP	5529	FURX 2925
5	UP	913	FURX 2917	29	UP	5533	FURX 2934
6	UP	5526	FURX 2922	30	UP	5534	FURX 2935
7	UP	5531	FURX 2929	31	UP	5535	FURX 2936
8	UP	5536	FURX 2940	32	UP	5537	FURX 2942
9	UP	5539	FURX 2944	33	UP	5538	FURX 2943
10	UP	5540	FURX 2945	34	UP	5543	FURX 2907
11	UP	1611	FURX 2902	35	UP	5544	FURX 2931
12	UP	1627	FURX 2923	36	UP	5545	FURX 2932
13	UP	1628	FURX 2924	37	UP	5546	FURX 2933
14	UP	1632	FURX 2930	38	UP	5547	FURX 2939
15	UP	1641	FURX 2948	39	UP	5549	FURX 2919
16	UP	1642	FURX 2906	40	UP	5550	FURX 2921
17	UP	1648	FURX 2916	41	UP	5551	FURX 2926
18	UP	5510	FURX 2900	42	UP	5552	FURX 2927
19	UP	5513	FURX 2904	43	UP	5553	FURX 2937
20	UP	5516	FURX 2909	44	UP	5554	FURX 2938
21	UP	5517	FURX 2910	45	UP	5555	FURX 2941
22	UP	5518	FURX 2911	46	UP	5556	FURX 2947
23	UP	5520	FURX 2913	47	UP	5557	FURX 2949
24	UP	5521	FURX 2914				